



遠航港口發展有限公司

OCEAN LINE PORT DEVELOPMENT LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 8502



First Quarterly Report

2022

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Directors”, each a “Director”) of Ocean Line Port Development Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that, to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

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Unaudited Condensed Consolidated Statement of Comprehensive Income

For the three months ended 31 March 2022

	Notes	Three months ended 31 March	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Revenue	4	46,321	41,640
Cost of services rendered		(18,479)	(18,154)
Gross profit		27,842	23,486
Other income and gains		1,965	1,997
Selling and distribution expenses		(157)	(178)
Administrative expenses		(3,539)	(3,022)
Finance costs		(12)	(17)
Profit before income tax	5	26,099	22,266
Income tax expense	6	(6,775)	(4,390)
Profit and total comprehensive income for the period, net of tax		19,324	17,876
Profit and total comprehensive income for the period attributable to:			
Owners of the Company		13,752	12,772
Non-controlling interests		5,572	5,104
		19,324	17,876
Earnings per share attributable to owners of the Company			
Basic and diluted earnings per share	7	RMB1.72 cents	RMB1.60 cents

Unaudited Condensed Consolidated Statement of Changes in Equity

For the three months ended 31 March 2022

	Attributable to owners of the Company										Non-controlling interests	Total
	Share capital	Share premium	Capital reserve	Special reserve	Statutory reserve	Other reserve	Assets revaluation reserve	Fair value reserve	Retained earnings	Subtotal		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
At 1 January 2022												
(audited)	6,758	50,277	369	7,591	83,583	176,540	376	(311)	83,995	409,178	146,899	556,077
Profit for the period and total comprehensive income for the period	-	-	-	-	-	-	-	-	13,752	13,752	5,572	19,324
Transfer to statutory reserve	-	-	-	-	3,185	-	-	-	(3,185)	-	-	-
Appropriation and utilisation of reserve	-	-	-	287	-	-	-	-	(287)	-	-	-
Dividends declared to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(1,181)	(1,181)
As at 31 March 2022												
(unaudited)	6,758	50,277	369	7,878	86,768	176,540	376	(311)	94,275	422,930	151,290	574,220
At 1 January 2021												
(audited)	6,758	50,277	369	6,154	66,265	176,540	376	(357)	45,544	351,926	125,604	477,530
Profit for the period and total comprehensive income for the period	-	-	-	-	-	-	-	-	12,772	12,772	5,104	17,876
Transfer to statutory reserve	-	-	-	-	3,188	-	-	-	(3,188)	-	-	-
Appropriation and utilisation of reserve	-	-	-	386	-	-	-	-	(386)	-	-	-
As at 31 March 2021												
(unaudited)	6,758	50,277	369	6,540	69,453	176,540	376	(357)	54,742	364,698	130,708	495,406

Notes to the Unaudited Condensed Consolidated Financial Statements

1. GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 30 October 2017. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at Room 2715-16, 27/F, Hong Kong Plaza, 188 Connaught Road West, Hong Kong. The Company was listed on GEM of the Stock Exchange of Hong Kong Limited on 10 July 2018.

The principal activity of the Company is investment holding while its subsidiaries are principally engaged in port operation in Chizhou City, Anhui Province, the People's Republic of China (the "PRC").

The Company's immediate and ultimate parent is Vital Force Developments Limited ("Vital Force"), a company incorporated in the British Virgin Islands with limited liability and its ultimate controlling parties are Mr. Kwai Sze Hoi and his spouse Ms. Cheung Wai Fung.

The unaudited condensed consolidated financial statements are presented in Renminbi ("RMB"), unless otherwise stated.

The unaudited condensed consolidated financial statements have not been reviewed by the Company's auditor, but have been reviewed by the Company's audit committee (the "Audit Committee").

2. BASIS OF PREPARATION

This unaudited condensed consolidated financial statements for the three months ended 31 March 2022 have been prepared in accordance with Hong Kong Financial Reporting Standard ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure provisions of the GEM Listing Rules. The unaudited condensed consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended 31 December 2021, which have been prepared in accordance with HKFRSs issued by the HKICPA.

Notes to the Unaudited Condensed Consolidated Financial Statements



2. BASIS OF PREPARATION (continued)

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2021, except for the adoption of the standards, amendments and interpretation issued by the HKICPA mandatory for the annual periods beginning 1 January 2022.

In the current period, the Group has applied all the new and amended HKFRSs which are first effective for the reporting period and relevant to the Group. The adoption of new and amended HKFRSs do not have material impact on the Group's results of operations or financial position.

The Group has not applied any new or amended HKFRSs that are not yet effective for the current accounting period.

3. SEGMENT INFORMATION

Operating segment information

The Group identifies its operating segments and prepares segment information based on the regular internal financial information reported to the Company's executive Directors, who are the chief operating decision makers of the Group, for their decisions about resources allocation to the Group's business components and review of these components' performance. There is only one business component in the internal reporting to the executive Directors, which is the provision of port services. Accordingly, no segment information analysed by operating segment is presented in the condensed consolidated financial statements.

Geographical information

The geographical location of revenue allocated is based on the location at which services are provided. The Group renders port services in the PRC and all its revenue for the three months ended 31 March 2022 and 2021 were derived in the PRC. The geographical location of the Group's non-current assets is based on the physical location of the assets. The Group's major non-current assets are located or based in the PRC.

Notes to the Unaudited Condensed Consolidated Financial Statements

4. REVENUE

Revenue represents the income from provision of port services excluding value-added tax, where applicable.

Revenue recognised during the period is as follows:

	Three months ended	
	31 March	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Port service income	46,321	41,640

Notes to the Unaudited Condensed Consolidated Financial Statements



5. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting):

	Three months ended	
	31 March	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Costs of inventories recognised as an expense (included under cost of services rendered)	1,493	996
Employee benefit expenses (<i>note</i>)(including Directors' emoluments)		
— Wages, salaries and other benefits	4,794	4,496
— Defined contributions	700	765
	5,494	5,261
Direct operating expenses arising from investment properties that generated rental income	148	76
Depreciation of property, plant and equipment	6,406	6,783
Repairs and maintenance expenses (included under cost of services rendered)	1,812	2,864
Subcontracting fee (included under cost of services rendered)	4,321	3,642
Amortisation of deferred government grant	(223)	(223)

Note: During the three months ended 31 March 2022, the Group incurred expenses for the purpose of research and development of approximately RMB552,000, which comprised employee benefits expenses of approximately RMB533,000 (three months ended 31 March 2021: nil).

Notes to the Unaudited Condensed Consolidated Financial Statements

6. INCOME TAX EXPENSE

The amount of taxation in the unaudited condensed consolidated statement of comprehensive income during the period represents:

	Three months ended	
	31 March	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax		
— PRC enterprise income tax	5,351	3,234
Deferred tax charged to profit or loss	1,424	1,156
	6,775	4,390

The Group's subsidiaries in the PRC are subject to the PRC enterprise income tax ("EIT") at the standard rate of 25% on the estimated assessable profits, except for the following subsidiaries which enjoyed certain tax exemption and relief.

Pursuant to the PRC tax law, its rules and regulations, enterprises that invest in qualifying public infrastructure projects are eligible for certain tax benefits.

One of the infrastructure projects (the "Qualifying Project") of Chizhou Port Ocean Line Holdings Limited ("Chizhou Port Holdings"), a subsidiary of the Company, is engaging in qualifying public infrastructures and is entitled to exemption from PRC enterprise income tax for three years (the "3-Year Exemption Entitlement") and a 50% reduction for three years thereafter (the "3-Year 50% Tax Reduction Entitlement"). The 3-Year Exemption Entitlement commenced for the financial year beginning on 1 January 2019 up to 31 December 2021 irrespective of whether the Qualifying Project is profit-making during this period and the 3-Year 50% Tax Reduction Entitlement commenced from the financial year beginning on 1 January 2022 to 31 December 2024. Therefore, the applicable tax rate for the relevant profit generated from the qualifying public infrastructures was 12.5% for the three months ended 31 March 2022 and 0% for the three months ended 31 March 2021.

Chizhou Port Ocean Line Logistic Company Limited ("Chizhou Logistic"), a subsidiary of the Company, has been registered as a small low-profit enterprise under the applicable PRC tax law. As the annual taxable income of Chizhou Logistic does not exceed RMB1 million, the relevant EIT is computed at a reduced rate of 25% as taxable income amount and subject to EIT at 20%.

Notes to the Unaudited Condensed Consolidated Financial Statements



6. INCOME TAX EXPENSE (continued)

No provision for Hong Kong profits tax has been made as the Group had no estimated assessable profits arising in or derived from Hong Kong for the three months ended 31 March 2022 (three months ended 31 March 2021: nil).

7. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following information:

	Three months ended 31 March	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit for the period attributable to the owners of the Company	13,752	12,772

	Number of shares Three months ended 31 March	
	2022	2021
Weighted average number of ordinary shares in issue	800,000,000	800,000,000

The calculation of basic earnings per share for the three months ended 31 March 2022 is based on profit attributable to owners of the Company of approximately RMB13,752,000 (for the three months ended 31 March 2021: profit of RMB12,772,000) and on the weighted average number of 800,000,000 ordinary shares in issue during the three months ended 31 March 2022 and 2021.

Diluted earnings per share is the same as the basic earnings per share because the Company had no potentially dilutive shares in issue during the respective periods.

8. DIVIDENDS

The Directors do not recommend the payment of dividend for the three months ended 31 March 2022 (three months ended 31 March 2021: nil).

Notes to the Unaudited Condensed Consolidated Financial Statements

9. RELATED PARTY TRANSACTIONS

- (a) The Group had the following material related party transactions during the period:

	Three months ended 31 March	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Lease payment paid to a related company (note)	116	119

Note: In November 2020, Ocean Line Port Development (Hong Kong) Limited ("Ocean Line Hong Kong") and Ocean Longevity Company Limited ("Ocean Longevity"), entered into a tenancy agreement pursuant to which Ocean Longevity as the landlord agreed to lease certain premises to Ocean Line Hong Kong as the tenant. The annual rent under the tenancy agreement amounted to approximately HK\$570,000, with the term of the tenancy agreement commencing from 1 January 2021 and expiring on 31 December 2023.

The controlling shareholders of the Company are the beneficial owners of Ocean Longevity.

The above transactions with the related company were negotiated and carried out in the ordinary course of business and on terms agreed between the Group and the related company.

As the total amount payable under the above tenancy agreements (including the estimated utilities and telephone charges) by Ocean Line Hong Kong to Ocean Longevity for each of the three financial years ending 31 December 2023 would be approximately HK\$600,000, which is less than HK\$3,000,000 per annum and less than the 5% percentage ratios (other than the profits ratio) mentioned in Rule 19.07 of the GEM Listing Rules, the total annual rent (including the estimated utilities and telephone charges) payable under the above tenancy agreement would fall below the de minimis threshold under Rule 20.74(1)(c) of the GEM Listing Rules and thus would not be subject to any reporting, announcement or independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Notes to the Unaudited Condensed Consolidated Financial Statements

9. RELATED PARTY TRANSACTIONS (continued)

(b) Key management personnel compensation

The remuneration of Directors and other members of key management during the periods were as follow:

	Three months ended 31 March	
	2022	2021
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Fee	287	293
Salaries, allowances and benefits in kinds	60	60
Defined contributions	20	19
	367	372

Management Discussion and Analysis

BUSINESS REVIEW

The Group is an inland terminal operator in the PRC and is principally engaged in the provision of port logistic services (including uploading and unloading of cargo, bulk cargoes handling service, container handling, storage and other services). The Group operates two port terminals, namely, Jiangkou Port Terminal and Niutoushan Port Terminal, both of which are situated in Chizhou City, Anhui Province, the PRC. Chizhou City is located in the upper downstream section along the Yangtze River and it is an important port city in the southwestern region of Anhui Province. It is also a crucial member of the integrated development of the Yangtze River delta. With abundant mining resources as its biggest strengths, Chizhou City is an integral non-metallic mineral base in Eastern China. There are 11 berths in the two major terminals of the Group, including the 4 newly built berths of the new phase (Phase III) of Jiangkou Terminal, making the Group the largest public port operator in Chizhou City, as well as an important driver of the opening up and promoting investment and business in Chizhou City.

For the three months ended 31 March 2022, the Group's total throughput volume of bulk cargo and container were 6.7 million tonnes (three months ended 31 March 2021: 5.9 million tonnes) and 3,075 TEUs (three months ended 31 March 2021: 4,172 TEUs), respectively, representing an increase of 13.5% and a decrease of 26.3%, respectively as compared with the same period in 2021. The Group's revenue and profit were RMB46.3 million (three months ended 31 March 2021: RMB41.6 million) and RMB19.3 million (three months ended 31 March 2021: RMB17.9 million), representing an increase of 11.2% and 8.1%, respectively as compared with the same period in 2021.

In the midst of complex and ever-changing external environment, we work together to ensure the port business continuing to grow steadily. The throughput volume and performance of the ports were mainly influenced by the following factors:

Firstly, the market development improve steadily. We enhance market study and judgement making, grasp opportunities, and work hard to increase our market share. We take the initiative to expand market share, grasp the source of commodities in a timely manner, consolidate existing customer base, and explore marginal customers. We adopt the innovative marketing method of "Port at the front, Park at the back" (「前港後園」) to target quality customers. We vigorously develop our logistics business and implement the "Two-Wheel Drive" strategy of traditional stevedoring and modern logistics.

Management Discussion and Analysis



Secondly, the Cost Reduction and Efficiency Improvement activities are remarkably effective. We have achieved obvious results through comprehensively streamlining a total of 11 measures to reduce costs, increase efficiency and refine our management, including “grasp every potential transaction”, “precise management”, “scientific despatch”, “reforming personnel system”, “procurement through comparing quotations from different suppliers”, “repairing and reusing”, “equipment maintenance”, “efficiency improvement”, “technology innovation”, “capital control” and “energy saving and consumption reduction” (「噸貨不放」、「精細管理」、「科學調度」、「用工改革」、「比選採購」、「修舊利廢」、「設備養護」、「提高效率」、「技術創新」、「資金管控」及「節能降耗」), where we set out clear responsibilities for each employee, as well as set up the assessment, reward and punishment standards, and implement the principles to “compare indicators, compare results, identify problems, investigate causes, and determine measures” (「對指標、比結果、找問題、查原因、定措施」).

Thirdly, the COVID-19 pandemic has impacts on the ports. Due to the severe and complicated situation of global and domestic pandemic prevention and control, casted great impact especially on our container business, with processing contract enterprises reducing production due to shortage of raw materials, and the severe overstock of foreign container vessels in foreign terminals leading to the persistently high ocean freight and shortage of empty containers, which resulted in the increase in the cost of container transportation for our customers, and continuously affected the throughput volume of containers for domestic and international trading.

Management Discussion and Analysis

OUTLOOK

We shall not be overly optimistic about the situation of port operation in the second quarter, mainly due to the following reasons:

Firstly, the persistence of the COVID-19 pandemic in the PRC and abroad, especially the current severe situation in Shanghai, has caused obstruction in the PRC's logistics supply chain in general. The downturn in the mining and construction materials market, the decrease of both supply and demand, the production suspension and reduction of some customers, and the shortage of source of commodities, bring challenges to our port business.

Secondly, due to the impact of the Russo-Ukrainian War, fuel prices remain high and logistics costs continue to rise.

Thirdly, the PRC's economy is facing pressure from shrinking demand, supply shock, and weakening expectations, etc. Under the influence of rising prices of certain raw materials and finished goods, the survival and development of certain enterprises in Chizhou City have been challenged.

We will take our responsibilities, actively study and make judgement on the production trend in the second quarter, focusing on pandemic prevention and control as well as production and operation at the same time, organize production arrangement properly, make efforts in marketing, continue to reduce costs and improve efficiency, reduce non-production expenses, improve operational quality and efficiency. We will ensure the precise implementation of various pandemic prevention and control measures, and make every effort to achieve a stable growth.

Management Discussion and Analysis



FINANCIAL REVIEW

Revenue

	Three months ended			
	31 March			
	2022	2021	Increase/(decrease)	
	RMB'000	RMB'000	RMB'000	%
	(Unaudited)	(Unaudited)		
Revenue from provision of uploading and unloading services				
Bulk cargo and break bulk cargo	42,142	37,035	5,107	13.8
Container	498	629	(131)	(20.8)
Subtotal	42,640	37,664	4,976	13.2
Revenue from provision of ancillary port services	3,681	3,976	(295)	(7.4)
Total revenue	46,321	41,640	4,681	11.2

	Three months ended			
	31 March			
	2022	2021	Increase/(decrease)	
	(Unaudited)	(Unaudited)		%
Total cargo throughput (thousand tonnes)	6,731	5,928	803	13.5
Container throughput (TEUs)	3,075	4,172	(1,097)	(26.3)

Our revenue which is principally generated from the provision of uploading and unloading services was approximately RMB42.6 million for the three months ended 31 March 2022 and RMB37.7 million for the same period in 2021. The increase in revenue was mainly due to the increase in cargo handling revenue since the throughput of cargo increased by approximately 0.8 million tonnes as compared with the same period in 2021. The throughput volume of cargo increased as we grasped the source of commodities in a timely manner, successful consolidated existing customer base and explored marginal customers.

Management Discussion and Analysis

Cost of services

Our cost of services primarily consists of depreciation of property, plant and equipment, staff cost, subcontracting fee, fuel and oil, consumables, electricity, repairs and maintenance expenses and others.

For three months ended 31 March 2022, our cost of services was approximately RMB18.5 million (three months ended 31 March 2021: RMB18.2 million), representing an increase of RMB0.3 million or approximately 1.6% as compared to the same period in 2021. The increase in cost of services was mainly attributable to staff cost and subcontracting fee collectively increased by approximately RMB0.3 million which was driven by the increase in transportation and handling services due to the increase in throughput volume of cargo by 13.5% in terms of tonnes.

Gross profit and gross profit margin

	Three months ended			Increase	%
	31 March				
	2022	2021			
	(Unaudited)	(Unaudited)			
Gross profit (RMB'000)	27,842	23,486	4,356	18.5	
Gross profit margin (%)	60.1	56.4	3.7	N/A	

For the three months ended 31 March 2022, our gross profit increased to approximately RMB27.8 million and gross profit margin increased to approximately 60.1%. The increase was primarily due to our business achieved economies of scale through greater utilisation of our throughput capacity.

Administrative expenses

For the three months ended 31 March 2022, our administrative expenses increased by approximately RMB0.5 million or 17.1% which was primarily due to increase in administrative staff costs of approximately RMB0.6 million. The increase in administrative staff costs was mainly due to the growth of our business and research and development related staff costs for the improvement and development of port equipment, computer system and technique to be used in our port operations incurred during the period.

Management Discussion and Analysis



Income tax expenses

For the three months ended 31 March 2022, the Group's income tax expense amounted to approximately RMB6.8 million (three months ended 31 March 2021: RMB4.4 million), representing an increase of RMB2.4 million or approximately 54.5% as compared to the same period of last year. The increase was mainly due to increase in the Group's profit before tax for the three months ended 31 March 2022 as compared to the same period of last year. Besides, the profit generated from the Qualifying Project of Chizhou Port Holdings for the 3 months ended 31 March 2021 enjoyed full tax exemption, but those for the 3 months ended 31 March 2022 only enjoyed 50% tax reduction. For the three months ended 31 March 2022, the effective tax rate is approximately 26.0% (three months ended 31 March 2021: 19.7%). Should the deferred tax charge for the three months ended 31 March 2022 of approximately RMB1.4 million be excluded, the adjusted effective tax rate would have been approximately 20.5%. Our adjusted effective tax rate for the three months ended 31 March 2022 was lower than that of the PRC EIT standard rate of 25% mainly because of 50% tax reduction for three years for the Qualifying Project of Chizhou Port Holdings from 2022 to 2024.

Profit for the three months ended 31 March 2022

As a result of the foregoing, we recorded profit for the three months ended 31 March 2022 of approximately RMB19.3 million (three months ended 31 March 2021: RMB17.9 million). Our net profit margin was approximately 41.7%, (three months ended 31 March 2021: 42.9%).

DIVIDEND

The Board does not recommend the payment of dividend for the three months ended 31 March 2022.

BUSINESS UPDATE

On 28 March 2022, Chizhou Port Holdings and Yuan Hang Port Development (Chizhou) Limited ("Yuan Hang (Chizhou)"), subsidiaries of the Company entered into a joint venture agreement with an independent third party, pursuant to which the parties thereto agreed to establish a joint venture company, namely Chizhou Qianjiang Port Logistic Company Limited* (池州前江港航物流有限公司) ("Qianjiang Logistic") in Chizhou City, the PRC. Qianjiang Logistic was incorporated on 12 April 2022 and is engaged principally in provision of port logistic services in the PRC. Qianjiang Logistic is owned beneficially as to 61.7% by Chizhou Port Holdings, 33.3% by Yuan Hang (Chizhou), and 5.0% by the independent third party. Pursuant to the terms of the joint venture agreement, the proposed registered capital of the Qianjiang Logistic is RMB1,000,000 and investment by Chizhou Port Holdings and Yuan Hang (Chizhou) is expected to be RMB950,000 in total.

* For identification purpose only

Other Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2022, the interests and short positions of the Directors and chief executive of the Company in the ordinary shares (the "Shares"), underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") which will be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange, will be as follows:

(a) Long position interests in the Shares

Name of Director	Capacity/Nature of interests	Number of issued Shares held/ interested	Percentage of shareholding
Mr. Kwai Sze Hoi	Interest of a controlled corporation (<i>Note</i>)	600,000,000	75%
Ms. Cheung Wai Fung	Interest of a controlled corporation (<i>Note</i>)	600,000,000	75%

Note: Vital force is legally and beneficially owned as to 58.4% by Mr. Kwai Sze Hoi, 38.9% by Ms. Cheung Wai Fung and 2.7% by Hongkong Shun Yi Industrial Co. Limited, which is a company incorporated in Hong Kong with limited liability and owned as to 60% by Mr. Huang Xueliang. Mr. Kwai Sze Hoi and Ms. Cheung Wai Fung are deemed to be interested in all the Shares held by Vital Force under Part XV of the SFO. Mr. Kwai Sze Hoi is the chairman and an executive Director of the Company and a director of Vital Force. Ms. Cheung Wai Fung is a non-executive Director of the Company, a director of Vital Force and the spouse of Mr. Kwai Sze Hoi. Mr. Huang Xueliang is an executive Director of the Company.

Other Information



(b) Long position interests in ordinary shares of associated corporation

Name of associated corporation	Name of Director	Capacity/Nature of interests	Number of issued ordinary shares held	Percentage of the Company's share capital
Vital Force	Mr. Kwai Sze Hoi	Beneficial owner (Note 1)	29,200	58.4%
Vital Force	Ms. Cheung Wai Fung (Note 2)	Beneficial owner (Note 1)	19,466	38.9%
Vital Force	Mr. Huang Xueliang	Interest of a controlled corporation (Note 1)	1,334	2.7%

Notes:

1. Vital Force is legally and beneficially owned as to 58.4% by Mr. Kwai Sze Hoi, 38.9% by Ms. Cheung Wai Fung and 2.7% by Hongkong Shun Yi Industrial Co. Limited, which is a company incorporated in Hong Kong with limited liability and owned as to 60% by Mr. Huang Xueliang.
2. Ms. Cheung Wai Fung is the spouse of Mr. Kwai Sze Hoi.

Save as disclosed above, as at 31 March 2022, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or would be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, notified to the Company and the Stock Exchange.

Other Information

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES

So far as is known to the Directors, as at 31 March 2022, the following shareholders of the Company and persons (not being a Director or chief executive of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Long position in the Shares

Name of Shareholder	Capacity/Nature of interests	Number of Shares held	Approximate percentage of shareholding
Vital Force	Beneficial owner (Note)	600,000,000	75%

Note: Vital Force is legally and beneficially owned as to 58.4% by Mr. Kwai Sze Hoi, 38.9% by Ms. Cheung Wai Fung and 2.7% by Hongkong Shun Yi Industrial Co. Limited, which is a company incorporated in Hong Kong with limited liability and owned as to 60% by Mr. Huang Xueliang. Mr. Kwai Sze Hoi and Ms. Cheung Wai Fung are deemed to be interested in all the Shares held by Vital Force under Part XV of the SFO.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities for the three months ended 31 March 2022.

COMPETING INTERESTS

The Directors confirm that none of the controlling shareholders of the Company or the Directors and their respective close associates (as defined in the GEM Listing Rules) is interested in any business apart from the business operated by our Group which competes or is likely to compete, directly or indirectly, with our Group's business during the three months ended 31 March 2022.

Other Information



CORPORATE GOVERNANCE CODE

The Corporate Governance Code (“the Code”) in Appendix 15 to the GEM Listing Rules sets out the principles of good corporate governance, code provisions and recommended best practices. Issuers are expected to comply with the code provisions or devise their own code on corporate governance on the terms they consider appropriate provided that considered reasons are given. Throughout the reporting period, the Company had complied with the applicable code provisions of the Code and there had been no deviation from the Code by the Company.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the required standards of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for securities transactions by the Directors in respect of the shares of the Company (the “Code of Conduct”). Having made specific enquiries with the Directors, all Directors have confirmed that they have complied with the required standards set out in the Code of Conduct during the reporting period.

SHARE OPTION SCHEME

The share option scheme of the Company (the “Share Option Scheme”) has been conditionally adopted by way of shareholder’s written resolution passed on 1 June 2018. The Share Option Scheme has become unconditional on the 10 July 2018 (i.e. the listing date of the Company) and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. There is no option outstanding, granted, exercised, cancelled and lapsed under the Share Option Scheme during the three months ended 31 March 2022. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

Other Information

AUDIT COMMITTEE

The Audit Committee has been established with its terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules, and paragraphs D.3.3 and D.3.7 of the CG Code. The Audit Committee consists of three members, namely Mr. Cheung Sze Ming, Mr. Nie Rui and Dr. Li Weidong, all being independent non-executive Directors. Mr. Cheung Sze Ming currently serves as the chairman of the Audit Committee. The Audit Committee is to assist the Board in fulfilling its responsibilities by providing an independent review and supervision of financial reporting, by satisfying themselves as to the effectiveness of the internal controls of our Group. The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the three months ended 31 March 2022 and is of the view that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

By order of the Board

Ocean Line Port Development Limited

Kwai Sze Hoi

Chairman and executive Director

Hong Kong, 11 May 2022

As at the date of this report, the executive Directors are Mr. Kwai Sze Hoi and Mr. Huang Xueliang, the non-executive Director is Ms. Cheung Wai Fung and the independent non-executive Directors are Mr. Nie Rui, Mr. Cheung Sze Ming and Dr. Li Weidong.